

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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LOUBERT ALEXANDRE, YVON AUGUSTIN,  
MAX CHARTELAIN, WILFRED GERMAIN, CLAUDE  
LESSAGE, and JEAN PIERRE, INDIVIDUALLY AS  
OWNERS OF YELLOW CAB MEDALLIONS IN THE  
CITY OF NEW YORK AND ON BEHALF OF A CLASS  
OF ALL OWNERS SIMILARLY SITUATED, AS WELL AS  
INDIVIDUALLY, TOGETHER WITH MAMNUNUL HAQ  
and ASIM AKHTAR, AS HOLDERS OF HACK  
LICENSES IN THE CITY OF NEW YORK AND AS  
REPRESENTATIVES ON BEHALF OF A CLASS OF  
ALL HOLDERS OF HACK LICENSES IN THE CITY OF  
NEW YORK, and the NEW YORK TAXI WORKERS  
ALLIANCE,

Civil Action No.

Plaintiffs,

- against -

AFFIDAVIT OF THE  
NEW YORK TAXI  
WORKERS ALLIANCE

THE NEW YORK CITY TAXI AND LIMOUSINE COM-  
MISSION, MATTHEW DAUS, AS COMMISSIONER  
/CHAIR OF THE NEW YORK CITY TAXI AND LIMO-  
USINE COMMISSION, AND THE CITY OF NEW YORK,

Defendants.

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State of New York    )  
                          )ss.  
County of New York)

Bhairavi Desai, being duly sworn, deposes and says:

1.     I am the Executive Director of the New York Taxi Workers Alliance (NYTWA),  
and make this affidavit in support of plaintiffs' motion for a temporary restraining order and a  
preliminary injunction.

2.     NYTWA is a trade association composed of drivers of yellow medallion taxicabs  
in the City of New York. The organization has existed since 1998, and now has over 10,000

members. Its purpose is to improve working conditions of drivers in the taxi industry in the City of New York. In March 2007, it became the first and only non-union affiliate of the New York City Central Labor Counsel.

3. The yellow medallion taxicab industry in the City of New York is regulated by the Taxi and Limousine Commission (“TLC”)<sup>1</sup> which is an administrative arm of the City of New York. TLC’s Commissioner/Chair is Matthew Daus. There are 13,187 yellow medallion taxicabs in the City of New York, each of which operates as such by virtue of its medallion, which is a thin metal plate affixed to the front hood, signifying that it is licensed by TLC.

4. To drive a yellow medallion taxicab, one must hold a hack license issued by the TLC. There are approximately 43,000 drivers who hold hack licenses. The license is issued every two years and costs \$60 per year.

5. At the present time, all taxi drivers are considered independent contractors. They can be classified in three groups: 1) owner-operators, who own both their own medallion and their own vehicle, and who comprise approximately eighteen percent (18%) of the entire driver population; 2) driver owned vehicle operators (“DOVs”), who own the vehicle, but rent the medallion from a TLC licensed taxicab broker or agent, and who comprise approximately forty percent (40%) of the driver population; and 3) the balance of drivers who either a) rent from private medallion owners or b) rent from a TLC regulated taxi garage, which latter group comprises only about 15 to 25 percent (15%-25%) of the total driver population. Renters in this third group do not even sign formal leases with the garages or owners that they rent from, but

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<sup>1</sup> NYTWA numbers among its members a very small number of drivers who operate “black car” limousine and radio-dispatched car service drivers. These drivers choose to belong to NYTWA because they are also regulated by the TLC.

rather agree to accept that rental will be assessed on a weekly basis (so-called “weekly contracts”) or on a daily basis (so-called “daily contracts”). Insofar as TLC regulates rental payments, they merely prescribe weekly and daily rental caps.

6. In 2004, TLC first began discussing installing new electronic equipment and technology in taxicabs designed to promote several aims: 1) facilitation of payment for cab trips with debit or credit cards; 2) electronic “trip sheets” to replace paper records of certain taxicab trip information which TLC requires taxi drivers to record ; 3) electronic “message boards” which would permit dissemination of information from a centralized point to taxi drivers on duty and in transit; and 4) a Personal Information Monitor (“PIM”) to supply advertising and information to taxicab passengers.

7. Part of the information which TLC wants passengers to have is the ability to locate the taxicab on a map which can be displayed on the PIM. Likewise, TLC wants to enable potential advertisers to provide location specific advertising to passengers by displaying it on the PIM. To provide location information to both passengers and potential advertisers - and not for the purpose of aiding the driver to locate passengers’ destinations - TLC requires that Global Positioning Systems (“GPS”) technology be installed as part of the new equipment in each taxicab.

8. Eventually TLC held various public hearings on proposed rules to bring these changes to fruition which culminated in the promulgation of the so-called Taxi Technology System (“TTS”), which was effectuated by the publication, on or about June 1, 2007, of changes in the TLC’s governing Rules and Regulations which mandate the installation of equipment and software to facilitate the four goals mentioned in paragraph 6 above. A copy of the amendment

to the TLC's Rules and Regulations which defines and regulates TTS is annexed to the Complaint in this action as Exhibit A.

9. From the first mention of new technology by the TLC, NYTWA has attempted to articulate the concerns of taxi drivers that the manner in which TLC wants to use this new technology, which has evoked into TTS, is too intrusive into the drivers' lives and that it places too many financial burdens upon them. On the other hand, NYTWA has never heard TLC coherently articulate the public health, safety or welfare concern it is addressing by insisting upon the installation of TTS. Over the years that TLC was shaping the TTS technology package, NYTWA met several times with members of TLC's staff, but always found that its concerns were brushed aside by TLC as either unimportant, when it came to discussing drivers' privacy, or already addressed, when it came to discussing the cost of the new equipment.

9A. I have heard drivers offer a number of different reasons why they believe TTS is too invasive into their private lives. Here are the two I hear most frequently. First, since they are independent contractors, so long as they abide by TLC's twelve hour maximum cap on hours of driving per day, they are not obliged to account to anyone for when they start or finish work, or when or where they go off-duty to eat or use a restroom, or whether they drop off and pick up their children from school. Even more significantly, many of them learn from experience where to position themselves to maximize passenger traffic and which routes offer the quickest way to complete trips in order to maximize their opportunities to carry more passengers. They come to regard this information as their own proprietary trade secrets, which they are not obligated to share with anyone. Since GPS tracks and records the location of each taxi at all times, this information will no longer remain their own. Second, drivers find GPS particularly intrusive is



that they have a high regard for the privacy of their religious convictions. For example, many drivers are Muslim and pray during the course of the day. They may come off duty to perform their rituals or to attend a mosque. Particularly in the post World Trade Center atmosphere of heightened scrutiny and harassment of Muslims, they are very sensitive about having anyone keep track their private religious practices.

10. When TLC held public hearings and engaged in its rule making process, NYTWA always appeared and spoke strongly against the adoption of the TTS package because of its perception that the issue of drivers' privacy had not been properly addressed. NYTWA also sought more precise and definitive regulation of the information, particularly with respect to Global Position System ("GPS") tracking of taxis, which the TTS technology would include. TLC always asserted that its concerns were narrow and simply a different means of capturing the same information it had always and traditionally collected. Moreover it chose not to make the technology improvements itself, but rather to authorize private vendors to sell, install and maintain the TTS equipment, under sale or lease arrangement, and who will store the information that is collected through TTS. For these two reasons, TLC chose neither to consider nor issue rules or regulations with respect to the permitted use of the GPS tracking information which TTS will record and collect.

11. Although TLC has represented that TTS simply enhances its existing ability to collect information, this is not true. At present, drivers, such as plaintiffs, only record, literally with pencil and paper, the requisite pick-up location, drop-off location, meter charge, additional charges, like tolls, and tip on forms mandated by TLC. They enter their hack license number on the meter at the beginning and at the end of their time in the vehicle and the number of passen-

gers each time they drop the flag on the meter. Under current TLC rules,<sup>2</sup> owner-operator drivers retain these “trip sheets,” while DOVs and garage fleet drivers simply turn the “trip sheets” into their owners, brokers or garages, but never to the TLC itself. The TLC has never kept track of drivers’ beginning or ending work times, and drivers are not required to report such information. They are not required to apprise TLC of each and every route that they chose to take to transport their passengers, nor the location of their vehicle in between fares, nor the places they go when they are off-duty and using their taxicabs for personal use. However, under the new TTS mandate, specifically TLC’s most recent modification to its Rule 3.06, not only will the TLC obtain log in and log out information but also will have the unfettered ability to collect any of the captured GPS information at any time.

12. For the benefit of owner-operators, DOVs and all other drivers, TLC has posted on its website a set of Frequently Asked Questions (“FAQs”). A copy of these Frequently Asked Questions is annexed to this affidavit as Exhibit A. For example, in the FAQs, TLC has estimated the TTS costs, to be as follows: a) Installation: between “\$10 and \$4,115”; b) a monthly service fee between “\$43 and \$200”; c) the maximum costs of the technology over the term of a contract are between “\$2,900 and \$7,200”.

13. Drivers who are DOVs and who lease from taxi garages have reported to me that they are already seeing changes in their lease arrangements which specify that new costs are being placed upon them to defray the cost of TTS. Attached hereto as Exhibit B is a copy of the

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<sup>2</sup> TLC Rules and Local Laws, Chapter 2-Taxicab Driver Rules-“Section 2-28 (a) (1) Requirements of Trip Sheet: (1) at the start of each trip, the starting time, specific location and number of passengers; (2) on completion of the trip, the destination, the time, the amount of the fare, and any tolls paid; (3) the taximeter readings and the concluding time of his or her workshift.”

notice issued by Ronart Leasing Corp. brought by a lessee to NYTWA.

13A. Drivers who rent both the medallion and the taxi vehicle have consistently reported to me that since the TLC announced the TTS system was being implemented, they have been pressured by their garages to agree to switch their rental charge schedule from “weekly contracts” to “daily contracts.” Since many of these rental drivers are compelled to drive more than five days a week to make a living, and, since the daily rates authorized by the TLC vary depending on the day of the week, “daily contracts” cost the rental drivers significantly more than “weekly contracts.” In this way, the rental drivers are also being forced, even if only indirectly, to bear the costs of TTS.

14. Another significant cost of TTS which all drivers will have to bear is the transaction fee for each fare charged on passengers’ credit or debit cards. Drawing on information provided in Rule 1-85 (b) of Exhibit A to the Complaint and the FAQs posted on the TLC’s website, Exhibit A to the Affidavit, NYTWA has determined that TLC has fixed the lower and upper limits of the transaction fees at 2.5 percent (2.5%) and 5 percent (5%).

15. In addition, TTS regulations require that if TTS malfunctions, that it be repaired within 48 hours. NYTWA members who are already driving taxicabs which have been outfitted with experimental TTS technology have reported frequent system malfunctions, and there has been news coverage of these malfunctions. Attached hereto as Exhibit C is an article published by the New York Times on July 19, 2007.

16. Several NYTWA members have a thorough understanding of the workings of GPS technology because they had careers in fields other than driving taxicabs in their native countries. They have offered to NYTWA’s governing body the following simplified explanation

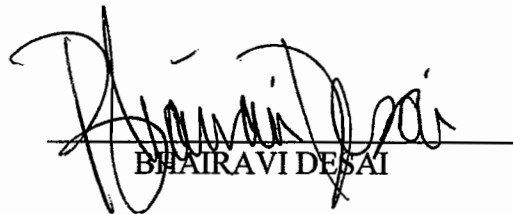
of the intricacies of GPS technology, drawn from wikipedia: GPS captures, second by second, the location of the taxi cab, and, consequently, the location of the driver and the passenger at all given times. It contains no "off" button. Once it is installed in taxis, as TLC has presently mandated the GPS component of the TTS system, there is no way to stop the second by second tracking. The GPS technology has three parts: 1) a broadcast unit placed in each taxicab which emits a signal at precisely timed intervals of 6 to 8 seconds; 2) 24 satellites orbiting above the Earth, positioned in so-called medium orbits such that they remain stationary over a fixed location (the Global Navigation Satellite System (GNSS)), which capture, amplify and redirect the signal from the broadcast units in the taxis to 3) a computer, at a location remote from either the taxi or the GPS satellite, which stores and analyzes the signals received from the taxicabs via the satellites. Since the data storage computer is programed to track the differences in the signal from one interval to the next, by comparing the changes from one interval to the next, it is possible to derive from the computer, in real time, precise information about the location of the taxicab as well as its, speed and direction at any given moment.

17. Most recently, many owner-operator drivers who have not signed contracts to install TTS into their cars have been coming into our office and calling to inform us that on or about August 24, 2007, they received Summonses from the TLC for them to appear at an administrative hearing scheduled to occur within the next one and half weeks-namely within the first two weeks of September 2007. All the Summons are identical in the citation of violation of TLC Owner Rules Sec.1-11(g) for failure to sign a contract with a TLC authorized vendor to "buy, lease, rent or use a Taxicab Technology Enhancements System and Service for medallion". These drivers do not want to install TTS in their property and feel that the TLC is forcing them



to sign the vendor contracts against their will by the threat of medallion suspension at the scheduled hearings.

18. In our almost ten years of representing the interests of yellow cab drivers, our organization has never seen drivers as outraged over a TLC policy. In the past, TLC has tried to put in “technological innovations” into the yellow cab such as the “Talking” taxi cabs which proved to be a complete and utter failure and a burden to both drivers and passengers.



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BHAIRAVI DESAI

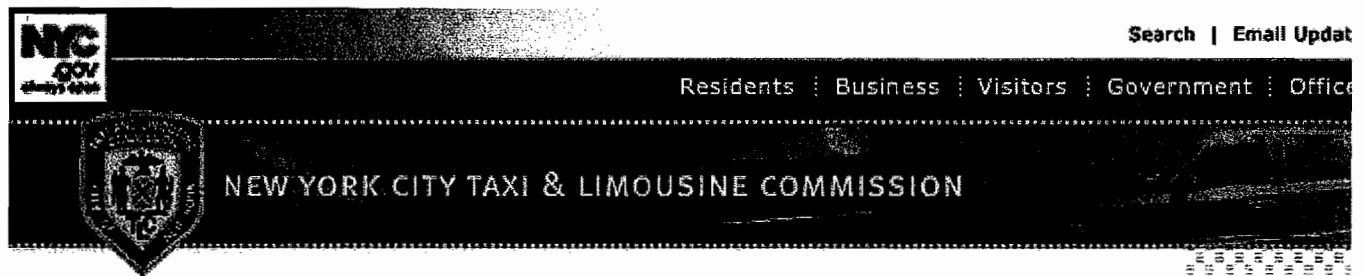
Sworn to before me this  
23<sup>rd</sup> day of August, 2007



\_\_\_\_\_  
NOTARY PUBLIC

KATHY ROSADO  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. 01R06142270  
QUALIFIED IN BRONX COUNTY  
MY COMMISSION EXPIRES MAR. 13, 2010

## EXHIBIT A



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## INDUSTRY INFORMATION | TAXICAB SERVICE ENHANCEMENTS

### Medallion Taxicab Technology Enhancements

Click on the links below for more information about this project.

- ✱ [Driver Frequently Asked Questions Updated](#)
- ✱ [Owner Frequently Asked Questions Updated](#)
- ✱ [Technology Enhancements Email Updates](#)
- ✱ [Technology Vendor Expo](#)
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- ✱ [Technology Enhancements Seminar](#)
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- ✱ [Archive](#)
- ✱ [Download Adobe Acrobat](#)

### Overview of the Technology Enhancements Service Project

#### Better Communication & Better Service

In March 2004, the TLC's Board of Commissioners mandated that specific technology based service improvements be implemented in all medallion taxicabs. The technology enhancements focus on four areas: automated collection and submission of trip data; installation of a passenger information monitor (including a passenger information incorporating electronic message transmission capability into the taxicab, and final addition of equipment to enable the acceptance of credit/debit cards.

These service enhancements represent a rare opportunity to significantly improve riding experience of countless New Yorkers and visitors, as well as for drivers. The technology will greatly improve communication between the TLC and its constituent medallion taxicabs will now offer varied payment options for the riding public. The to communicate with taxi drivers on a real time basis will enable the TLC to increase level of service available to the riding public in groundbreaking ways.

#### Text Messaging

Text messaging services will offer many benefits to drivers and passengers: communication with taxis in the event of a citywide emergency; streamlining the process for lost property claims; and directing taxicabs to fare opportunities by advising drivers of cruise ship schedules, major public events, and other needs for transportation.

The new system will allow the TLC to send short alphanumeric messages to cabs and receive pre-programmed responses from the driver. The driver will be able to transmit a response by pushing a single button.

#### Automated Trip Sheet Data Collection

Today, drivers are required to maintain a trip-log that details each and every fare they serve. The trip sheet is filled out by hand and stored in paper form. Medallion



owners are required to maintain these trip sheets for three years.

The TLC will leverage state of the art vehicle location technology to automate this process. By integrating with the taximeter, the technology enhancement equipment will automatically capture the pick-up and drop-off location of every fare. Paper trip sheets will disappear as the TLC will receive the data electronically. The data collected will be more accurate.

#### **Credit Card / Debit Card Payment**

The new system will allow all taxicabs to accept credit and debit cards as a form of payment. Credit cards and debit cards are widely accepted as a payment mechanism in the United States:

- 22% of all consumer payments are made by credit card
- 31% of all consumer payments are made by debit card.

Research shows that acceptance of credit and debit cards presents an opportunity for increased revenue - more trips and greater tips! Drivers will also benefit from increased safety. Although the crime rate is near an all time low, since there will be less cash on hand, the use of credit/debit cards should further diminish the possibility of theft.

#### **Passenger Information Monitor (PIM)**

The passenger information monitor (PIM) is a flat screen monitor, similar to a laptop screen, that will provide information such as news, sports, and weather to the passenger.

The PIM will be installed in the rear-seat passenger area of the taxicab where it will be used to complete the electronic payment process. The PIM will display the total fare at the end of every trip. The PIM will be used to communicate TLC Safety and Public Service Announcements (PSAs) and will provide a map allowing the passenger to follow his or her journey through New York City and surrounding metropolitan areas.

The PIM will NOT provide "directions" to the passenger. Every PIM has an on/off and mute button that can be controlled by the passenger.

#### **Timeline**

**June, 2007** - All four vendors successfully complete rigorous field testing of equipment

**August 1, 2007** - Sign Up Deadline - All taxicab owners are required to enter into contracts with one of the four vendors

**October 1, 2007 to January 31, 2008** - Installation Phase - All taxicabs are required to be enhanced by their inspection date during this inspection cycle

**January 31, 2008** - Systems rolled out to virtually all taxicabs

#### **Driver Frequently Asked Questions**

##### **When will the systems be installed?**

Medallion holders have the option of installing the system today. All taxicab owners are required to enter into a contract by August 1, 2007. The date the system is required to be installed depends on the inspection date, but virtually all cabs will have the system installed by January 31st, 2008.

**Is the TLC going to use this technology to track drivers?**

No, the TLC will only use this technology to provide those customer service improvements described here. Even more importantly for drivers, the TLC will use replace the current hand-written trip sheets with automatic electronic trip sheets and will be limited to collecting pick-up, drop-off, and fare information, all of which are already required.

**I have heard that this system will cost drivers between \$3,000 and \$5,000. Is this true?**

The primary cost of the system will be the responsibility of medallion owners, not drivers. There will be some transaction or service fees or monthly charges. The TLC worked hard to negotiate fair contracts with vendors to minimize the cost to our licensees.

**How will the system be maintained? Who will pay for maintenance?**

Repair locations will be set up throughout the City and, in many cases, the repairs will be meter shops. Medallion owners may pay for a maintenance contract to cover equipment repairs and replacements.

**Are there any benefits for drivers?**

Yes, we expect more trips and larger tips due to the acceptance of credit/debit cards. Most retailers have reported increased revenue when they start accepting credit/debit cards. The text messaging system will alert drivers to fare opportunities such as the arrival of a passenger cruise ship or the end of a large event.

**Are passengers going to use the map displayed on the screen in the back of the cab to give drivers directions to go to a location?**

The map will not encourage "backseat" driving by passengers. It will only show the current location of the cab and the path the cab has traveled – no directions will be provided.

**Are there any other benefits?**

Use of credit/debit cards means that the driver will have less cash on-hand, which creates safer conditions. And the text messaging system means drivers can be notified in case of emergency situations.

**Will I need training? How will I be trained?**

The systems will be made as user-friendly as possible, but some training may be necessary, at first. Suppliers are required to provide the training and it should take about one hour. The first training session will be available free of charge. In addition, vendors have posted their training materials on their websites. Click here for:

- \*[Taxitronic/Verifone Transportation Systems](#) (Note: you will be leaving the TLC website)
- \*[Creative Mobile Technologies with Mobile Knowledge](#) (Note: you will be leaving the TLC website)
- \*[Taxi Technology Corporation](#) (Note: you will be leaving the TLC website)
- \*[Digital Dispatch Systems Inc.](#) (Note: you will be leaving the TLC website)

**Will my trip/fare information be transmitted to the Internal Revenue Service (IRS)?**

No, your fare information will not be automatically sent to the IRS. There will be no changes to the current system, in which the IRS must send a subpoena to the TLC requesting trip sheet information.

**Will I need to enter my Social Security Number to log onto the system?**

No, your Social Security Number is not required to log onto the system. Each driver will be given a unique ID number and password based on the vendors' requirements.

**Will the systems be used to issue speeding tickets or other infractions?**

No, there are no plans to issue tickets for speeding or other infractions using the systems.

**When do drivers get paid for credit card transactions?**

If you are a:

**Fleet Driver** - You will be paid at the end of your shift. Print out an "End Shift" report from your system which will show all credit card charges during your shift and present it to the garage's cashier. The garage will deduct 5% of the credit card charge.

**2nd Driver for Individual Owner** - There are two main options. 1) You operate under the owner's merchant account, and be paid after your shift/have your charges deducted from your lease fee. or 2) You can set your own merchant account and have the payment deposited automatically to your account.

**DOV or Working with an Agent** - This is basically the same as with a 2nd driver for Individual Owner. (see above), details need to be negotiated between the medallion holder and driver.

**Can the driver act as his or her own merchant for credit card transactions?**

The drivers will be responsible for the credit card transaction fees and may decide if it is more convenient or less expensive to open his own or her own merchant account. If the driver is not a merchant, an owner must pay a driver for his or her credit card transactions at the end of a shift (minus the cost of processing the transaction and handling charges).

**Do I have to accept credit/debit cards for all trips?**

Yes, drivers are required to accept credit/debit cards for all fares, even if they are only \$2.50. Setting a minimum payment amount is not allowed under the agreements with the credit card companies.

**Can a driver charge the passenger for the credit card fees?**

No, drivers are not permitted to charge more for credit than for cash.

**If a passenger is paying by credit/debit card, can they also charge their tip on their credit/debit card?**

Yes, the passenger can place their tip on the credit/debit card. The systems ask the passenger how much tip they would like to give to the driver.

**What happens if the systems go down?**

First, the driver must immediately report the problem to the help desk's toll free number. If the meter is still functioning, the driver may continue his/her shift until the vendor schedules a repair appointment. In no event may a vehicle operate for more than 48 hours following the system's malfunction. If the meter is not functioning, the driver must return the taxicab for repairs.

**What happens if a passenger uses a stolen credit/debit card?**

As long as the driver follows these simple requirements, he/she will be paid.

#1 - The driver must receive an authorization code from the credit/debit card processor.  
#2 - If the amount of the fare is over \$25, the driver must also get a signature from the passenger.

If these two rules are followed, the driver will receive his/her money for the fare.

**Is the credit/debit card fee a percentage on the total fare including the toll and tip, or just based on the fare?**

Credit/debit card fees are based on the total charge including toll and tip.

**How will drivers access their electronic tripsheet data?**

All drivers will be able to access their electronic tripsheets by logging on to a secure website provided by their technology vendor, using their unique userID and password. If the drivers do not have access to the internet, they can request their tripsheet from their fleet or agent. Some vendors will also have kiosks at their service stations where drivers will be able to access their trip sheet information.

**Do drivers have to maintain handwritten trip sheets, even if their cab is enhanced?**

Handwritten trip sheets are required until the enhancements are installed. Therefore, handwritten trip sheets are required in all taxicabs until at least October. In addition, if there is a failure in the enhancements, drivers are required to maintain handwritten sheets.

**Can the driver share in advertising revenue from the PIMs?**

As the medallion owner is responsible for the costs of the enhancements, he/she/it is also entitled to enter into an agreement with the vendors for a share of the advertising revenue.

**What should a driver do if a passenger has no cash and his/her credit/debit card is not accepted by the system?**

Credit/debit cards can be rejected for two main reasons:

**1** - The taxicab is in a "dead spot" and unable to connect to the data network for credit/debit card approval.

If located in a "dead spot" driving to another location may result in a successful credit/debit card transaction.

**2** - The passenger's credit/debit card is invalid / over the limit.

In this situation, the driver should seek out an ATM to enable the passenger to pay in cash. If the passenger is unwilling to locate an ATM, the driver should suggest going to the nearest police precinct instead.

In both cases, when they seek a location with a signal or an ATM, the cab should go off duty, using the code "Fare Dispute".

**Can a driver request that the passenger swipe his/her credit card at the beginning of a long trip? Is it possible to request pre-authorization of credit/debit card fees?**

No, under the current rules, a driver cannot request that a trip be pre-paid. The TLC is investigating pre-authorization of fares as many drivers have expressed interest in seeing this feature introduced for longer trips.

**What happens when someone drives an enhanced cab more than 12 hours?**

TLC Rules state "A driver shall not operate a taxicab for more than twelve (12) consecutive hours."

**What happens if a passenger disputes a charge?**

**a.** If the fare is below \$25 and the driver received an authorization, the card will be paid. Only in very rare circumstances will the driver or merchant account owner not be paid.

**b.** If the fare is above \$25, the credit/debit card company may request the passenger signature to ensure that the signature is valid. For this reason, it is important for drivers to save all signed credit card receipts. In this instance, a chargeback may be charged to the technology vendor, merchant or recording driver.



## **Owner Frequently Asked Questions**

### **Who makes the Systems and where can a medallion owner buy one and have it installed?**

The four competing companies, in alphabetical order, are Digital Dispatch Systems Mobile Knowledge Corp. doing business in New York through its agent, Creative Mobile Technology; Taxi Technology Corporation; and VeriFone Transportation Systems Inc. d/b/a Taxitronic. Each of the service providers has subcontracted with various garages and meter shops to install and service the systems or have conveniently located dedicated facilities to provide service to you.

### **Who is responsible for the costs of the system?**

The costs of the System and its installation are the responsibility of the medallion owner while the costs of the credit card transaction fees are primarily the responsibility of the driver. These costs are offset by the fare increase enacted in March of 2004, the largest increase in the history of the TLC.

### **Is there a recommended form for the contract?**

Yes, the vendors must use a specific contract form with medallion owners. This form includes TLC negotiated specific protections for medallion owners and which is consistent with the contracts that the TLC has with the vendors. The form contract will also reflect the maximum price that a vendor is allowed to charge. A medallion owner can attempt to negotiate a lower price and determine whether he or she wants additional optional services. Click [here](#) for a sample of the form.

### **How much will it cost to install the system?**

**Fixed costs:** There will be an up front cost of between \$10 and \$4,115 followed by a monthly service charge of between \$43 and \$200. The maximum total cost of ownership over a three year period depends upon the vendor and options that you choose. The maximum total could be between \$2,900 and \$7,200 based upon the contract between the vendors and the TLC, advertising fees may offset costs. Some vendors are offering systems at minimal costs. In many ways, signing up for the service enhancements is similar to cell phone contracts. Each vendor offers different packages with different fee structures.

**Variable credit/debit card transaction costs:** Credit/debit card fees are expected to average 3.5% to 4.00%. These costs include fees for banks and vendors. On a \$10 credit/debit card charge, costs will be \$0.88 to \$1.00.

### **Can I negotiate with a vendor for lower prices?**

Yes, the figures cited above are the maximum prices permitted.

### **How much of this cost can I pass onto drivers?**

The owner can charge the driver not more than 5.00% of the credit/debit card charge incurred during the driver's shift.

### **What if a medallion owner has a previously existing contract for a meter that includes a point of sale credit card device and wants to choose a different service enhancement system?**

Medallion owners that currently accept credit cards cannot be bound by the terms of their contract and are free to choose whichever service enhancement system that they prefer.

### **If a medallion owner currently has rooftop advertising, does he or she have to use or buy that company's System?**

No. The medallion owner has the option to choose any approved System without a financial penalty. However, the contract regarding rooftop advertising remains in effect.

**Will the taximeter currently installed in my cab work with all Technology Enhancements vendors solutions?**

Not all meters will work with the systems. There are some that are inadequate for task. Meters require sufficient memory and processing capability to interface with Technology Enhancements.

The following taximeters may work with any of the four enhancement vendors:	The following meter requires an upgrade to work with the four enhancement vendors:	The following meters are inadequate for task:
Centrodyne - 620	MetroMeter 21R	Pulsar - 2020R
Centrodyne - 610		Pulsar - 2010R
Genie Taximeter - Genie		Synalta - 720
Pulsar - 2030R		
Taxitronic - TX-36 older versions require an upgrade		

**How long will the contract last?**

The contract will last for up to three years. Owners may have the option to extend contract for one or two years more.

**Can I switch vendors after I sign a contract?**

Yes, but cancellation fees will apply. It is similar to a cell phone contract.

**When do I have to sign a contract with one of the four vendors?**

The Sign-Up Deadline (SUD) is set for August 1, 2007. By this date, all medallion holders must have entered into a contract to have their taxicab(s) enhanced with systems of one of the four vendors.

**When do I have to install the system?**

Your mandatory installation date will be based on your inspection date. All vehicle scheduled for inspection at the TLC Woodside Safety and Emission Facility on and after October 1st, 2007 will be required to have the system installed and working properly.

**Are we going to get a fare increase to pay for the technology enhancements?**

The fare increase authorized in March, 2004 included a mandate for the service improvements. There was also a subsequent fare adjustment that benefited all drivers in November 2006.

**Will the medallion holder own the technology after the contract expires?**

In some cases, yes. This varies depending on the vendor and the option chosen.

**What is the term of the contract?**

Medallion owners may choose a one, two or three year contract.

**Is the standard three year contract extendable? By how much time? For the same terms?**

The TLC has mandated the systems be installed for three years. After that, the future is uncertain. There is the possibility that more vendors may enter the market. There is no guidance after three years at the current time.

**After the initial installation, who is responsible (costs) for the maintenance of the units? Who pays if my screen in the front or back seat (PIM or DIM) is damaged in an accident?**

That is something to ask each vendor. Some vendors offer service contracts and differing warranties.

**Will the vendors offer warranties or insurance for the Systems?**

Warranties and/or insurance options vary widely among the vendors. Some include the cost, while others may charge for protection, similar to cell phone contracts. TLC recommends that you read the Vendor's information carefully and choose the System that best suits your needs and concerns.

Furthermore, medallion owners should check your vehicle's insurance plan to learn if it is covered in terms of vandalism, accidents, or theft.

**Will smaller cars (such as hybrids) be offered a smaller PIM? If so, where will it be mounted?**

That is something to ask each vendor. At least one vendor is developing a small PIM to be installed in the back of the driver's headrest, but this has not been approved yet.

**Do the smaller cars, like the Prius, have enough room in front for the DIM?**  
The TLC does not foresee a problem.

**If someone in the beta test program decides to change vendor, who is responsible for system removal and costs?**

The vendor who installed the equipment for the beta test is responsible for all system removal costs.

**What if the System does not work but the meter still operates. Will the taxicab be able to continue to pick-up fares?**

Some Systems work independently of the taximeter, others do not. If this is important to you, make sure you ask the vendors this question. Either way, if the System has a malfunction, those taxicabs will continue to operate for hire for a period of time so long as their meter is working properly. (Owners, drivers and agents will have required reporting and maintenance guidelines/ timelines for system malfunctions.)

**If my vehicle retirement date is shortly after my mandatory installation date, can I receive an extension?**

Any taxicab retiring within 6 months of the TLC Compliance/Inspection date from October 1, 2007 through January 31, 2008 is not required to install the new technology for the regularly scheduled inspection date. The technology must be installed in the taxicab when it is hacked-up.

Exemptions are available only for taxicabs that will retire within 6 months of the Compliance/Inspection dates in the months of October, November and December 2007 and January 2008 as shown:

If your inspection date is in October 2007, for the vehicle to be exempt, the latest the vehicle retirement date can be is April 2008

If your inspection date is in November 2007, for the vehicle to be exempt, the latest the vehicle retirement date can be is May 2008

If your inspection date is in December 2007, for the vehicle to be exempt, the latest the vehicle retirement date can be is June 2008

If your inspection date is in January 2008, for the vehicle to be exempt, the latest the vehicle retirement date can be is July 2008

All newly hacked up vehicles reporting to TLC's Woodside Safety and Emissions Facility after October 1st, 2007 are required to contain the enhancements:

**If a car is set to be retired more than 6 months after the mandatory installation date:**

**date, will the vendors charge to move the equipment from one cab to another?**  
Vendors are permitted to charge for a de-install and re-install. This is something to negotiate prior to signing a contract.

**If an owner's enhanced system is unreliable, what can they do? What can they do if the system is defective?**

The enhancements are required to work properly based on standards set by the TLC. If problems are encountered the contract permits the owner to not pay monthly fees and the contract can even be voided.

**What happens if a medallion owner refuses to have the enhancements installed or the driver simply drives around with them turned off?**

If the enhancements are not installed, the owner will be subject to fines and suspension. If a driver tampers with the enhancements system and drives a cab with the enhancements turned off, the driver will be subject to fines and suspension.

**If a medallion is in storage on August 1st, does the owner still have to sign a contract?**

No, a medallion in storage is not subject to the August 1st sign up deadline. Keep in mind that all newly hacked up vehicles must contain the enhancements after October 1st.

**What happens to a medallion owner that does not sign a contract by August 1st?**

The owner is subject to fines and suspension. The TLC receives a copy of all contracts entered into between medallion owners and vendors. After August 1st, the TLC will begin the process of sending notices to all medallion owners who have not yet signed a contract. Failure to comply may result in a suspension of your medallion.

**If an owner wants to transfer management of his/her medallion to an agent that does not work with his/her current technology vendor, can the contract be broken?**

If the contract is broken, the medallion owner will be responsible to pay all penalties stipulated in the contract between the medallion owner and technology vendor.

Chart of Vendors Offering Sale, Lease, Rent or Use of Equipment				
	Digital Dispatch Systems Inc.	Mobile Knowledge Corp./ Creative Mobile Technologies LLC	Taxi Technology Corp.	VeriFone Transportal Systems Inc. d/b/a Taxitr
Method of Acquisition	Lease	Use	Purchase (Green Plan)	Purchase - Plan Upfront payment Monthly Payment
			Purchase (Blue Plan)	
			Rent (Purple Plan)	
			Rent (Orange Plan)	Plan #2 - Monthly Payment Only
			Rent (Yellow Plan)	
Details	A Non-advertising model and two Advertising Models	Two Advertising Models	All Advertising Model, except for Blue Plan	Advertising Model



### **Technology Enhancements Email Updates**

The Taxi and Limousine Commission will be sending out periodic updates regarding Taxicab Technology Enhancements program. If you would like to sign up, please click [here](#)

### **Contract Between Medallion Holder and Technology Vendor**

Medallion holders and certain others will be required to enter into contracts with one or four authorized vendors to provide taxicab enhancements systems and services. The generic form contract between the medallion holder and an authorized vendor which is linked below is the single basic form created by the TLC that each authorized vendor must use, and in which each vendor will set forth its respective pricing and other pertinent terms. Some vendors may have, in addition to the basic form, additional contract terms that supplement, but do not take the place of the basic form.

### **Disclaimer**

Please note this generic form Attachment OCF (Owner-Contractor Contract Form) to Medallion Taxicab Enhancements Service Agreements is intended for general information only and should not be relied upon as a replacement or interpretation of the Medallion Taxicab Enhancements Service Agreements, with Attachments OCF, executed between the City of New York through the New York City Taxi and Limousine Commission (TLC) and contractor signatories. The TLC makes no representation or warranty, express or implied, as to the contents of this document and will not be responsible for errors or omissions.

✱ [Attachment OCF \(Owner-Contractor Contract Form\)](#)

**Contact Information for Contractors** Who Have Received Approval from the TLC to Proceed in Furtherance of the Proposal Each Submitted in Response to the RFP

Contact information for the four companies is listed below:

Creative Mobile Technologies, LLC  
Contractor Agent for Mobile Knowledge Corp.  
22-01 40th Avenue  
Long Island City, NY 11101

[www.cmtnyc.com](http://www.cmtnyc.com)

T: (718)349-7700  
F: (718)937-8471

President and Chief Operating Officer: Jesse H. Davis  
Vice President Sales & Customer Relations: Michael A. Sahm  
Vice President Operations: Jed Appelbaum

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Digital Dispatch Systems Inc.  
Suite 300, 36-36 33rd Street  
Astoria, NY 11106

[www.digital-dispatch.com](http://www.digital-dispatch.com)

T: (718)361-2345  
T: (718) 361-2688  
T: (604)241-1441  
F: (718) 361-3112

Ken Holland , Sales Manager, North America - Taxi  
Dean Featherling, Operations

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TaxiTech  
25 Rockwood Place, 4th Floor  
Englewood, NJ 07631

[www.taxitechnology.com](http://www.taxitechnology.com)  
[info@taxitechnology.com](mailto:info@taxitechnology.com)

T: toll free (888)618-8480  
T: in NYC: (212)267-9909  
T: in NJ: (201)871-8894

Ed Sloam, President

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VeriFone Transportation Systems Inc. d/b/a Taxitronic  
36-15 13th Street.  
Long Island City, NY 11106

[www.verifonets.com](http://www.verifonets.com)

T: (718)752-1656

### **Technology Vendor Expo**

On Tuesday, July 10 - 2 P.M. - 6 P.M., the TLC will Host a Technology Vendor Expo at the TLC Woodside Safety & Emissions Facility, 24-55 BQE West, Woodside, NY. For more info click [here](#)

### **Technology Enhancements Seminar**

On Saturday, September 30, 2006 medallion owners, drivers, and agents of NYC Yellow Taxicabs attended a seminar to learn about and view the Technology Enhancements. Vendors and TLC representatives were on hand to answer questions.

To view the presentation click on the following link  
✧ [Technology Enhancement Seminar \(PDF Format\)](#)

### **Focus Groups**

The TLC has commissioned three focus group studies to help evaluate the response of taxicab drivers and passengers to the technology service enhancements. You can view the findings of the studies using the links below:

- ✧ [Driver Study 2005 \(PDF Format\)](#)
- ✧ [Passenger Study 2004 \(PDF Format\)](#)
- ✧ [Passenger Study 2006 \(PDF Format\)](#)

## EXHIBIT B

Ronart Leasing Corp  
25-11 41<sup>st</sup> Avenue  
Long Island City, New York 11101  
(718) 392-3013

June 27, 2007

To All DOV Vehicle Owners:

We regret to inform you that the fees that we have paid to medallion owners over the last few months have increased dramatically. We make a very small amount of money on medallion leases and DOVs to begin with, and with the new price that we have to pay we are now making no money at all.

Our current leases with you, the DOV owners, are for \$800.00 per month, and we pay for the tax stamp, renewal fees, and registration fees. As of Monday, July 2, 2007, we will be passing these costs directly on to you. The result will be an increase to you of \$34.00 per week per medallion.

We want to be clear that **WE ARE NOT INCREASING THE AMOUNT WE CHARGE FOR THE ACTUAL LEASE OF THE MEDALLION.** We are simply passing more of the associated costs on to you.

The Management



## EXHIBIT C



Hiroko Masuoka for The New York Times

Lea Acey in her taxi in Midtown Manhattan this week. Her cab has the video-and-fare system being installed in all yellow cabs in New York City.

## From Some Cabbies, In-Cab Video System Gets No Stars

By JAMES BARRON

New York City taxi driver No. 523687 was not happy about what was going on in the back of her cab.

Her passengers were watching television—specifically, the news anchors from WABC-TV, who were introducing a story about stylish-looking dresses on racks.

It was not the story that irritated driver No. 523687, Lea Acey. It was the TV itself.

"It's annoying," she said. "It makes too much noise."

Ms. Acey is one of the many taxi drivers frustrated by a high-tech video-and-fare system that must be installed by the end of this year in all of the city's 13,000 yellow cabs. Besides watching TV, customers can follow the taxi's route on a map on the screen.

One drivers' group, the New York Taxi Workers Alliance, is threatening to organize a strike, saying the new equipment provides no real benefits for passengers and imposes additional costs for drivers already hardened by high gasoline prices.

Some drivers also complain that the new system amounts to spyware, because the city's Taxi and Limousine Commission could use it to track their travels, block by block, moment by moment.

"It's 24-hour surveillance on workers in an industry where the workers are already so exploited," said Bhairavi Desai, executive director of the alliance, which represents 8,300 drivers. "It's intrusive. It's a complete invasion of privacy."

Matthew W. Daus, the chairman of the taxi commission, said what is being installed in taxis is a "custom-made, fully integrated, one-of-a-kind customer service enhancement system" that can do more than similar systems in taxis in other cities.

Adam Dunn contributed reporting.

Like a global positioning system in a car, the New York systems—drivers can choose one of four systems offered by different vendors—display maps showing where the taxi is going. But the taxi system does not provide directions. Neither the cabdriver nor the passenger can type in the address of the destination, as on a conventional G.P.S.

The cab systems also play video clips from WABC-TV on a monitor built into the partition between the driver and the passengers. Eventually, the monitors will also play specially produced videos from NBC. The passengers can also tap the screen to see sports headlines or weather forecasts. And the systems allow passengers to pay by swiping a credit or debit card through a reader attached to the partition. Before the new screens were introduced, only a few thousand taxis were equipped to accept payment by credit card.

Hussein el Sherbiny, a cabby who drives a Ford Crown Victoria, likes that feature. "We won't have to stop in front of a bank, double-parking, while people go into the bank and get some cash when they run out," he said.

John Caines, who has driven taxis for 22 years, said the credit-card reader had already helped him pick up passengers at airports. When waiting passengers did not have cash, he said, "I have been able to move to the front of the line."

But the taxi workers' alliance complains that the drivers stand to lose as much as 5 percent in processing fees on the credit-card transactions. Ms. Desai also said that some drivers are paying \$15 a week for the card-swiping device, depending on which system they chose.

Worse, she said, if that component or any other part of the new system malfunctions, the problem must be fixed within 48 hours, under taxi

commission rules, or the cab cannot be driven. She said that is unfair, pointing out that restaurants are not forced to shut down if they cannot repair broken card readers in 48 hours. "Who's going to compensate the driver for the income they'll have to forego?" she asked.

But Vincent Sapone, the managing director of the League of Mutual Taxi Owners, which represents 3,000 drivers who own their cabs, emphasized the benefits of taking debit and credit cards. "We'd get more corpo-

into place."

He also said the payments on debit and credit cards mean that drivers carry less cash, making their jobs safer.

Mr. Daus said the commission wanted to use tracking data—information about which cabs have gone where—to help passengers who call the city's 311 line about items they have left in taxis.

The system could determine which cabs had been in a certain area at a certain time, and the commission could send a message to those drivers, asking if they had found the lost item, Mr. Daus said. But Ms. Acey said she saw no benefits from the system for drivers. For one thing, she said, the system in her cab "beeps all day long."

"If you approach the Triborough Bridge, it beeps," she said. "It wants to add the toll. It says you have to tell it 'yes' or 'no'—while you're driving. You have to look. They say we cannot use cellphones while driving. Well, this is like a cellphone."

And then there was the problem of paying that \$4.50 fare for a ride in heavy traffic from 43rd Street and Ninth Avenue to the Garment District. One of the two passengers ran his credit card through the device on the partition, added a \$1.50 tip by using the touch screen and climbed out of the cab.

The other passenger stayed behind, talking to Ms. Acey. That was when Ms. Acey discovered that the credit card had not gone through.

Maybe cabdrivers need a back-seat version of Mr. Moviephone, the fast-talker voice on the telephone who cautions ticket buyers to hang on for a moment, saying, "Do not hang up or your transaction will not be complete."

All Ms. Acey could muster was anger. "This makes me lose money," she said.

### Gadgets also allow riders to pay with the swipe of a card.

rate people," he said. "They don't have to wait half an hour for a car service that's always late anyway."

The new systems in the cabs stem from a 2004 compromise approved by the commission that gave medalion taxis a 26 percent fare increase. In return, the taxi industry agreed to go along with installing technology to improve customer service. Cab owners must decide by July 31 which of the four systems to choose. The vendors are offering contracts with monthly fees of \$40 to \$70.

The vendors are also promising to share the revenue from advertisements that appear on the TV screens, and Mr. Daus, the commission chairman, rejects the idea that the systems will eat into drivers' profits. "The industry and the drivers have never earned so much in the history of the city of New York as they earn today," Mr. Daus said, adding, "the 2004 fare increase was a down payment for owners to put this system